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DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION:
FOOD AND AGRICULTURAL DEVELOPMENT

Trends in the international market for agricultural and tropical products, developments in the liberalization of international trade in agricultural and tropical products, and follow-up to the section on agriculture of the International Development Strategy for the Fourth United Nations Development Decade

Report of the Secretary-General

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I. INTRODUCTION

1. In its resolution 1991/53 of 26 July 1991, the Economic and Social Council requested the Secretary-General, in consultation with the World Food Council (WFC), the United Nations Conference on Trade and Development (UNCTAD) and the Food and Agriculture Organization of the United Nations (FAO), to submit to the General Assembly, at its forty-seventh session, an updated comprehensive report on trends in the international market for agricultural and tropical products and developments in the liberalization of international trade in agricultural and tropical products, taking into account the share of developing countries in such trade and the possible adverse short-term effects on net-food-importing developing countries, and on the follow-up to the section on agriculture of the International Development Strategy for the Fourth United Nations Development Decade (General Assembly resolution 45/199 of 21 December 1990, annex).

2. The present report is submitted in response to that request and updates information provided in the earlier report (E/1991/89). In section II, recent trends in world production and trade of agricultural and tropical products are reviewed, taking into account the share of developing countries in such trade, the short-term prospects for international markets, including food security, are analysed and the implications of changes in Eastern Europe's agricultural sector for world food trade and developing countries are discussed. Section III then deals with recent developments concerning the liberalization of trade, including developments in the Uruguay Round of multilateral negotiations under the auspices of the General Agreement on Tariffs and Trade (GATT), focusing in particular on the implications for developing countries. In the final section a number of issues are considered as follow-up to the section on agriculture of the International Development Strategy for the Fourth United Nations Development Decade.

II. RECENT DEVELOPMENTS IN WORLD PRODUCTION AND TRADE OF AGRICULTURAL AND TROPICAL PRODUCTS

3. The volume of world food and agricultural production fell in 1991, the first global decline since 1983. Despite this decline and the continued slow-down in global economic activity, the volume of world agricultural trade increased in 1991 faster than in previous years, and outpaced the growth of trade in other merchandise. Increased import requirements by countries experiencing production shortfalls, particularly China and the former Union of Soviet Socialist Republics, accounted for much of the expansion in trade.

4. The general pattern of world production and trade in agricultural products remains characterized by the continuing high dependence, in both relative and absolute terms, of many developing countries on the production and export of agricultural products. Compared to the industrialized countries, agriculture in the developing countries is a more important part of the economic structure. Agriculture accounts for about 15 per cent of gross

domestic product (GDP) in developing countries as a whole (9 per cent in Latin America and the Caribbean, 22 per cent in East Asia, 33 per cent in South Asia and 34 per cent in sub-Saharan Africa), compared to a share of only around 2 per cent in the GDP of countries members of the Organisation for Economic Cooperation and Development (OECD). The aggregate figures for developing regions mask the fact that for the majority of countries, including in particular the low-income countries, agriculture accounts for more than 50 per cent of monetary GDP. These shares are also reflected in the distribution of labour. More than 60 per cent of the labour force of developing countries (Africa, 69 per cent; Latin America, 27 per cent; Near East, 41 per cent; and Far East, 61 per cent) derived their income from the agricultural sector, compared with 6 per cent in developed market economy countries in 1989. The greater dependence of developing countries on agricultural production translates into a high dependence on agricultural exports. For the majority of developing countries, the share of agricultural products in total merchandise exports ranges from 50 per cent to 100 per cent.

5. While developing countries are highly dependent on exports of tropical agricultural products, they are also dependent as a group, with a few exceptions, on imports of temperate agricultural products - that is, basic foodstuffs such as cereals, dairy products, meat and edible oils. Total food imports of developing countries totalled nearly $61.2 billion in 1990 (see table 1). The gross food imports of net food-importing developing countries accounted for about 80 per cent of this amount, while the net food imports of such countries totalled around $37 billion. The net food imports of low-income food-deficit countries totalled approximately $5 billion. Developing country net exporters registered net exports of about $29 billion in 1990.

Table 1. Aggregate food trade of developing countries, 1990 a/

(Millions of United States dollars)

	Gross food imports b/	Gross food exports	Net food imports
Developing countries (155)	61 210.7	53 465.3	7 754.4
Net exporters (52)	13 585.6	42 374.8	-28 901.0
Net importers (103)	47 625.1	11 090.5	36 646.4
Low-income food deficit countries c/	22 493.9	17 569.1	4 924.8
World	236 192.8		

Source: Food and Agriculture Organization of the United Nations.

Note: Negative sign (-) indicates net exports.

a/ Data rounded.

b/ "Food" is defined by FAO as all products that are considered edible and contain nutrients in their raw or processed forms. For present purposes, the following commodities have been excluded: cocoa beans and products and other tropical beverages, fish and fishery products, feeding stuffs, alcoholic beverages, tropical fruits and spices, and live animals.

c/ Includes all food-deficit countries with per capita income below the level used by the World Bank to determine eligibility for International Development Association assistance (i.e., $1,195 in 1990), which in accordance with the guidelines and criteria agreed to by the Committee on Food Aid Policies and Programmes of the World Food Programme should be given priority in the allocations of food aid.

A. Global and regional trends in production and trade

1. Production

6. Agricultural production at the aggregate world level experienced in 1991 its first global decline since 1983. Whereas world agricultural production had increased by 2.3 per cent in 1990, in 1991 it fell to -0.2 per cent. The decline in food production, to -0.6 per cent, was greater (see table 2). This outcome was due mainly to declines in production in North America, Australia and, more strikingly, in the former USSR. Among the developing regions, the increase in African production of 4 per cent was faster than that of other regions and the best performance of the African region in recent years. The Near East was the only developing region that experienced a production decline in 1991.

Table 2. Annual changes in food and agricultural production

(Percentage)

	1988/89	1989/90	1990/91	Average annual change 1988-1991
	Food			
Africa	2.8	1.7	4.1	2.86
Far East	4.3	4.0	2.1	3.46
Latin America	1.9	0.7	0.9	1.66
Near East	-6.0	8.3	-0.1	0.73
Total developing countries	2.9	3.3	1.9	2.70
North America	-11.1	3.6	-2.1	4.20
Oceania	-2.0	1.7	-1.6	0.60
Europe	1.4	-1.2	-0.8	-0.20
EEC (12)	1.5	-0.5	0.8	0.60
USSR	3.4	0.2	-14.0	-3.46
Total developed countries	4.5	0.5	-3.9	0.37
World	3.5	2.1	-0.6	1.67
	Agriculture			
Africa	2.7	1.5	4.0	2.73
Far East	4.0	3.9	3.0	3.63
Latin America	1.3	1.0	0.6	0.96
Near East	-5.7	7.6	-0.2	0.57
Total developing countries	2.6	3.3	2.3	2.73
North America	-9.8	4.6	-1.7	4.23
Oceania	-1.1	3.0	-0.9	0.33
Europe	1.3	-1.3	-0.8	-0.26
EEC (12)	1.5	-0.5	0.9	0.63
USSR	3.1	0.1	-13.5	-3.43
Total developed countries	4.5	0.9	-3.7	0.40
World	3.2	2.3	-0.2	1.77

Source: Food and Agriculture Organization of the United Nations.

7. The commodity composition of world agricultural output growth is noteworthy. World cereal output in 1991 was 4 per cent less than the previous year's record and below trend. The decline was registered mainly in the developed countries, reflecting sharp decreases in the United States of America (-10 per cent) and in the former USSR (-29 per cent). Production rose in Europe. Cereal production in the developing countries was almost unchanged from the previous year's level. Output fell in Asia (-2 per cent), largely on account of a drop in China (-3 per cent). By contrast, it rose in Africa (14 per cent), particularly in North Africa, and in South America (7 per cent). Overall output in the low-income food-deficit countries declined but, excluding China and India, aggregate production rose.

8. Among the major cereals, reduced area and yields have led to a fall in world production of wheat to 552 million tons, 8 per cent below the record level of 1990, while estimated production of coarse grains fell by 4 per cent to 814 million tons, on account of adverse growing conditions. World output of paddy declined by 1 per cent, to 516 million tons. The decline in cereal output was not compensated by any increase in other basic foodstuffs. The quantity of roots and tubers produced in 1991 was close to the 1990 level. The output of pulses, meat, fats and oils and sugar rose while milk production is estimated to have fallen 2 per cent.

9. Production of soybeans, copra, olive oil and butter declined in 1991 while there were increases for sunflower seed, groundnuts and especially rapeseed, cottonseed and palm oil. Increases were most significant in the developing countries of Asia. However, a much reduced crop of soybeans in South America left production of fats and oils in the developing countries higher by only 2 per cent while for oilmeals it was 4 per cent lower. In the developed countries, production of fats and oils was slightly lower but oilmeal production slightly higher. The European Economic Community (EEC) had a substantial increase in oilseed crops but reductions in output of butter and olive oil, while increases in North America were all but offset by lower production in the USSR and Eastern Europe.

10. World production of pulses increased slightly in 1991 to reach a record level. The increase was concentrated in production of pulses for human consumption, mainly beans, chickpeas, cow peas and lentils, whereas output of pulses for use in feed, especially feed beans and feed peas, stagnated.

11. With regard to other food products, although world coffee production in 1991 increased slightly above the 1990 level, it was 10 per cent above the 1986-1988 level. World cocoa production decreased by 8 per cent in 1991 from the previous year's level of 2.45 million tons. Global tea production increased slightly in 1991. Increases in tea harvest in India, Indonesia, Kenya and Sri Lanka offset reduction in Bangladesh and several African countries. World citrus availability in 1991 was considerably lower than in 1990 as a result of smaller harvests in several major producing countries, including Brazil, Spain and the United States. The world fish catch in 1991 was no larger than in 1990, when years of continuous expansion came to an end.

12. With regard to agricultural raw materials, world production of fibres was mixed. Global output of cotton grew by 9 per cent, while that of jute, kenaf and allied fibres declined slightly from the high level of the previous year because the production decrease in Bangladesh, China and Thailand offset a bumper crop in India. Wool production contracted in virtually all countries in 1991. In the hard fibres sector, global output of sisal and henequen remained at the reduced level of the previous year. Global coir brown fibre extraction declined in 1991, in contrast to sharply higher coir yarn production. World output of bovine hides and skins remained static while global production of sheepskins and goatskins increased somewhat in 1991. World tobacco production remained stable in 1991. Little change in output levels was recorded by major producing countries, except India. There was a recovery in world production of natural rubber in 1991. During 1991 developments in the world forestry industry were mixed. Severe reduction of output in Eastern Europe and in the former USSR contributed to a further decrease in global production of sawn wood and wood-based panels. However, the expansion of the pulp and paper sector, registered since 1983, continued despite a sharp decline of production in Eastern Europe. Wood pulp output increased only slightly, reflecting a further acceleration in the utilization of recycled waste paper for paper manufacture.

2. Trade and trends in market shares

13. Whereas the volume of world agricultural trade increased by an estimated 5 per cent in 1991 compared with 3.6 per cent in 1990 and a 4 per cent average for the 1980s, the value of world trade in agricultural products in 1991 was little changed over the previous year's level of $325 billion. The growth in volume was accounted for mainly by larger import requirements of the former USSR. The increase in world agricultural trade volume was offset by the decline in the index of world agricultural prices, resulting in an estimated increase in the value of world agricultural trade of about 1 per cent. The total value in 1991 of world trade in agricultural, fishery and forestry products combined is estimated to have increased slightly above the previous year's level of $457 billion. 1991 marks another year when expansion of trade exceeded expansion of output. In relation to aggregate world merchandise trade, the share of agricultural, fishery and forestry products in world trade rose slightly in 1991 but remains well below the levels of the previous decade.

14. Developed market economy countries continue to dominate world trade in agricultural products, accounting for more than 60 per cent of all exports and imports. Between 1970 and 1990, the share of developed market economy countries in world exports of food and agricultural raw materials increased from about 58 per cent to 68 per cent and from about 55 per cent to almost 70 per cent, respectively. In contrast, as can be seen from table 3, the share of developing countries in world agricultural exports has generally declined over the same period. As indicated in table 4, there have been losses in the world market share of developing countries in products such as tropical beverages, sugar, spices, cereals, meat and forestry products.

Table 3. Shares of various groups of countries in the values of world agricultural exports and imports

(Percentage)

		Developing countries	Developed market economy countries					Socialist countries		World
			EEC a/	United States of America	Japan	EFTA a/	Others	Total	Eastern Europe	Asia	
					All food items						
Exports	1970	33.5	28.6	14.9	1.5	2.6	10.3	57.7	7.0	1.8	100
	1975	29.7	31.6	18.1	0.7	2.1	10.1	62.6	5.7	2.1	100
	1980	29.6	34.7	18.0	0.8	2.2	9.3	64.8	4.1	1.5	100
	1985	32.4	35.3	14.1	0.8	2.4	9.1	61.7	3.7	2.3	100
	1986	31.2	29.3	12.0	0.7	2.5	8.1	62.5	3.6	2.7	100
	1987	28.1	42.6	11.8	0.7	2.7	8.0	65.7	3.4	2.7	100
	1988	27.1	41.7	13.6	0.6	2.4	8.1	64.5	3.2	2.6	100
	1989	27.3	41.4	14.3	0.6	2.4	8.0	66.6	3.2	2.8	100
	1990	26.1	43.9	13.2	0.5	2.7	8.0	68.3	2.9	2.9	100
Imports	1970	18.0	42.6	12.5	6.1	5.0	5.3	71.6	8.8	1.6	100
	1976	22.7	39.8	8.1	7.9	4.1	4.7	64.7	11.4	1.3	100
	1980	25.2	39.0	7.9	7.0	3.9	3.9	61.7	11.3	1.8	100
	1985	25.2	36.6	10.3	8.0	3.3	4.7	63.0	11.0	0.9	100
	1986	21.7	41.0	10.1	8.6	3.9	4.6	68.3	9.1	1.0	100
	1987	20.4	43.3	9.2	9.0	4.0	4.5	70.0	8.4	1.3	100
	1988	21.6	42.5	8.4	10.3	3.8	4.3	68.7	8.3	1.4	100
	1989	22.6	40.6	8.8	10.4	3.6	3.8	67.1	8.6	1.7	100
	1990	21.7	43.7	8.5	9.7	3.7	3.5	69.3	7.6	1.4	100

Table 3 (continued)

		Developing countries	Developed market economy countries					Socialist countries		World
			EEC a/	United States of America	Japan	EFTA a/	Others	Total	Eastern Europe	Asia	
					Agricultural raw materials						
Exports	1970	33.5	11.4	11.4	0.3	12.5	19.7	55.4	9.9	1.2	100
	1975	28.1	13.8	13.6	0.4	12.8	18.2	58.9	11.5	1.5	100
	1980	30.4	13.9	15.3	0.3	11.8	18.9	60.2	7.9	1.5	100
	1985	25.5	16.3	14.4	0.3	10.1	21.6	62.8	8.7	3.0	100
	1986	24.1	18.4	13.0	0.4	0.6	21.4	63.8	8.7	3.4	100
	1987	23.6	14.8	14.1	0.3	10.4	21.7	65.4	7.6	3.5	100
	1988	24.5	18.0	14.0	0.4	9.9	22.9	65.1	7.3	3.1	100
	1989	23.4	16.7	15.8	0.3	10.1	23.8	66.8	6.7	3.2	100
	1990	22.8	19.3	17.2	0.4	10.6	22.1	69.5	5.7	2.6	100
Imports	1970	11.4	42.0	9.3	16.7	4.0	4.2	76.3	11.3	1.0	100
	1975	14.4	39.4	9.0	16.2	4.7	4.4	73.7	10.5	1.5	100
	1980	15.7	39.4	7.9	18.3	4.3	3.8	73.8	7.4	3.2	100
	1985	18.7	35.7	11.2	15.2	4.4	4.4	70.9	7.8	2.5	100
	1986	18.2	37.7	10.5	14.0	5.1	4.3	72.4	6.8	2.6	100
	1987	18.4	37.7	9.8	16.4	5.2	3.9	73.0	6.2	2.5	100
	1988	18.4	37.1	9.7	16.9	5.0	3.7	72.4	6.3	2.8	100
	1989	19.4	36.8	9.6	18.1	4.5	3.0	72.0	5.7	2.9	100
	1990	20.7	39.7	9.1	16.6	4.6	3.0	73.0	4.0	2.3	100

Source: UNCTAD, Commodity Yearbook, 1992 (forthcoming).

(Footnote on following page)

(Footnote to table 3)

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a/ Prior to 1970, the members of EEC were Belgium, France, the Federal Republic of Germany, Italy, Luxembourg and the Netherlands; the members of the European Free Trade Association (EFTA) were Austria, Denmark, Iceland, Norway, Portugal, Sweden, Switzerland and the United Kingdom of Great Britain and Northern Ireland. In 1970, Denmark, Ireland and the United Kingdom became members of EEC; in 1980, Greece, Spain and Portugal were added. EEC figures include intra-trade.

Table 4. Share of developing countries in the value of world agricultural exports, by product category

(Percentage)

1989/90	1979/80	1984/85
Cereals	12.7	12.1
Meat	12.2	11.5
Dairy products	1.7	2.4
Vegetable oilseeds and oils	35.5	39.1
Sugar	69.7	61.1
Tropical beverages	85.2	76.7
Spices	80.7	70.6
Tobacco, unmanufactured	40.2	47.0
Roots and tubers	42.5	42.9
Fruits	33.7	38.2
Nuts	56.4	54.2
Rubber, natural	97.7	95.0
Non-coniferous wood	70.1	64.5
Cotton	43.0	41.7
Jute and hard fibres and manufactures	78.1	78.0
Fishery commodities	37.4	40.9
Total agricultural exports	30.2	25.9

Source: FAO, Trade Yearbook and UNCTAD calculations.

15. A distinction should be made between those agricultural products that are produced chiefly by the developing countries (e.g., tropical products such as coffee, cocoa, tea, spices, bananas and natural rubber), and those that are also produced by or have close substitutes produced by the developed countries (e.g., cereals, meat, dairy products, fruit and vegetables, edible oils and sugar). The latter category, often referred to as temperate zone products, accounts for the bulk of world agricultural trade in value. The developed countries are the major exporters of these, apart from sugar.

16. On the import side, an important trend in developed country agricultural trade has been its decreasing share of world imports, particularly for temperate products. This trend reflects the fact that domestic production of many of these products has continued to expand in developed countries in response in particular to high levels of assistance, thus replacing potential imports. Intra-trade is increasingly the major source of such imports. The developing countries as a group are dependent, with a few exceptions, on imports of temperate agricultural products - that is, basic foodstuffs such as cereals, dairy products, meats and edible oils. In 1990, for example, out of gross food imports by developing countries amounting to nearly $62 billion, the net food imports of net-food-importing developing countries (more than 100 countries) totalled around $36 billion. Developed countries have traditionally been and still remain the major markets for the agricultural exports of the developing countries. However, these markets, increasingly protected in the 1970s and 1980s, have grown relatively slowly for such products. The growth in exports of agricultural products from developing countries to developed market economy countries has been much slower than in any other market. As a result, the developing country exports of such products received by developed market economy countries declined in the 1970s and 1980s.

B. Current situation and short-term prospects for international agricultural markets, including food security

17. International agricultural markets remained depressed in 1991. After a steep cyclical rise in prices on world markets in 1988 and 1989, the situation was reversed in 1990, with substantial falls in prices for wheat, sugar and dairy products, returning those markets to the depressed conditions that had prevailed prior to 1988. In 1991, international prices remained low in the first half of the year, although they increased to varying degrees for a number of products, such as cereals and dairy products, in the second half. Agricultural commodity prices declined on average 3 per cent in 1991.

18. Continuing recession in the economies of many countries reduced demand for many commodities. Also, changes in supply conditions were reflected in some large changes in price relative to 1990. Prices on the world market for sugar declined 27 per cent and wool prices declined 31 per cent. In contrast, rice prices regained former levels with a 10 per cent increase and fishery product prices continued to increase. World wheat prices rose sharply in the

second half of 1991, mainly reflecting a reduction of 8 per cent in global production and expectations of stronger import demand.

19. Among agricultural products of particular export interest to developing countries the downward trend in prices continued for coffee and cocoa in 1991 and by mid-1992 these beverages were trading at prices lower than any year since the early 1970s. There are still major stocks of coffee and cocoa, and exporting countries continue to seek ways to regulate the market, especially by strengthening international commodity agreements. Prices of tea, sugar, cotton, jute and hides and skins also declined substantially in 1991 and in the first quarter of 1992, although prices of tea, sugar and cotton have since risen somewhat. These and other price declines in 1991 reduced the overall level of prices paid for the agricultural, fishery and forestry exports of the developing countries by 6 per cent. For the developed countries the overall decline was 4 per cent.

20. In real terms, from the start of the 1980s to 1991, prices for commodities exported by developing countries fell 36 per cent while those for the developed countries fell 20 per cent. Estimates for 1991 show that the index of real prices of commodity exports of developing countries (deflated by the rise in the weighted average of the prices of manufactures and crude petroleum) fell to 64 per cent of its average level for the years 1979 to 1981. Commodities showing the largest declines in real prices included beverages, with a decline of 56 per cent; sugar, down 60 per cent; and natural rubber, down 48 per cent. By contrast, groups where prices had largely maintained their real value included fishery and forestry products and hides and skins. For the beverages, the price decline started in 1987 and has had serious consequences both for many growers of coffee, cocoa and tea and for countries with a high dependence on these exports.

21. Prospects for agricultural markets in 1992/93 are mixed and are expected to be influenced in particular by demand factors linked to the rate of world economic growth and to the size of harvests, in various regions of the world, that would have a bearing on world import demand. The existence of large stocks of coffee, cocoa and natural rubber is expected to continue to have a negative impact on their prices, while prices of some other commodities, such as cereals and oilseed products, would remain sensitive to the size of future harvests.

22. As regards world food security, the situation has deteriorated in several countries. Serious regional food supply problems persist, in particular in Africa. The worst drought for decades has devastated the main cereal harvest in southern Africa. Elsewhere in Africa, serious difficulties persist in Ethiopia and Somalia, food supplies remain tight in Liberia and Sierra Leone, while localized shortages are also reported in Togo and Zaire. Elsewhere in the world, grave difficulties persist in Iraq, and the food supply situation is critical in Yugoslavia. In the former USSR, food supply difficulties for vulnerable populations are persisting.

23. Estimates by FAO indicate that in 1991, at the global level, cereal consumption declined but nevertheless exceeded production so that global cereal stocks diminished in 1991/92. The direct consumption of cereals as food rose in aggregate but not in per capita terms, which were marginally lower worldwide and particularly so in a number of low-income food-deficit countries. Moreover, despite a 5 per cent increase in average per capita food use of cereals in these countries in the past decade, in almost half of them the estimated per capita consumption of cereals is less than it was a decade ago.

24. Tentative FAO forecasts for 1992 indicate an increase in world cereal production to 1.941 billion tons, 3 per cent more than in 1991. At the forecast level output would be below trend. Thus the expansion in the availability of cereals in 1992/93, that is opening stocks plus production, is forecast to be rather limited and no significant replenishment of stocks is foreseen. At the estimated level, carry-over stocks of cereals into 1992/93 would represent 18 per cent of the trend of consumption in 1992/93, a ratio that remains within the range that the FAO secretariat considers the minimum necessary to safeguard world food security.

25. Assuming that current production forecasts materialize, the global level of supplies should be adequate to meet expected utilization in 1992/93. However, the current production forecast is only tentative and a significant deterioration in crop conditions could have serious repercussions for global food security, the situation of which is already difficult because of several critical regional food shortages, particularly in Africa.

26. World trade in cereals in 1992/93 is forecast to rise marginally above the level in 1991/92, which was one of the highest volumes in recent years. The most noteworthy feature of cereal trade in 1992/93 is that while shipments to the developed countries are forecast to decline from 1991/92, to 73 million tons, the second lowest level since the mid-1970s, imports into the developing countries are forecast to reach a record in 1992/93. Imports into low-income food-deficit countries as a group are forecast to rise to a new peak of 65 million tons, 10 per cent higher than their estimated aggregate imports in 1991/92 and around 40 per cent more than in the mid-1980s. Most of the expansion in 1992/93 is expected in imports of coarse grains, particularly into the drought-stricken low-income food-deficit countries of southern Africa.

27. Shipments of cereal food aid during 1991/92 (July-June) are expected to total around 11.5 million tons, 0.5 million tons below the previous year. Developing countries will have received about 10.4 million tons of cereal food aid in 1991/92, which is about 300,000 tons less than the amount received during 1990/91 and well below the levels provided to those countries during some previous years. In the case of the low-income food-deficit countries, aid in cereals will cover about 15 per cent of their total cereal imports, slightly below the 1990/91 level but significantly lower than an average of 20 per cent in earlier years. While emergency needs are rising sharply, there has been no corresponding growth in the resources available for meeting such needs. At the same time, in addition to the food aid requirements of the traditional recipients, which have risen and are forecast to increase further

in 1992/93, substantial demands on food aid have occurred in the former USSR and Eastern European countries (see table 5). During 1991/92, these countries have received around 1.1 million tons of cereals and 200,000 tons of non-cereal food commodities.

28. To date, pledges to the 1992 International Emergency Food Reserve (IEFR) by 11 donors amount to 214,632 tons of food commodities, of which 193,234 tons were in the form of cereals and 21,398 tons of other foodstuffs (mainly vegetable oils, pulses and dried skim milk). These contributions to IEFR are entirely for multilateral channelling through the World Food Programme (WFP). To ensure the quickest possible initial response to new sudden food emergencies, the Committee on Food Aid Policies and Programmes (CFA) of WFP, at its thirty-second session in December 1991, decided to establish, on an interim basis, a cash fund within IEFR. The purpose of this Immediate Response Account is to facilitate the purchase and delivery of food commodities in response to sudden emergencies. A minimum annual target level of $30 million has been set in this respect. So far contributions to the account have reached $22 million.

29. In addition to IEFR contributions, 509,955 tons of cereals and 77,993 tons of other food commodities have been contributed so far in 1992 under the subset of WFP regular resources for meeting the requirements of protracted refugee operations.

30. As at April 1992, total pledges to the regular resources of WFP for the biennium 1991-1992 by 60 donors totalled $1,082,500,000, representing 72 per cent of the pledging target of $1.5 billion. In the previous biennium, pledges by 84 donors amounted to $1,198,400,000 (86 per cent of the pledging target of $1.4 billion).

Table 5. Volume of food aid and distribution of shipments

(Thousands of tons)

	1988	1989	1990	1991
		Total food aid		
	14 866 (100%)	10 975 (100%)	14 093 (100%)	13 715 100%)
Cereals	13 159	10 026	12 927	12 661
Non-cereals	1 707	1 041	1 166	1 054
		Distribution of shipments		
Developing countries of which:	14 866 (100%)	10 639 (96.9%)	11 553 (82%)	12 615 (92%)
Sub-Saharan Africa	4 539	2 781	3 207	4 128
North Africa/ Middle East	2 775	2 771	3 112	3 378
Latin America and the Caribbean	2 558	1 986	2 323	2 008
Asia and Pacific	4 994	3 101	2 911	3 100
Eastern Europe (including former USSR)	-	336 (3.1%)	2 540 (18%)	1 100 (8%)

Source: World Food Programme, Food Aid Information System (INTERFAIS), as at 13 July 1992.

C. Implications of changes in the agricultural sector in Eastern Europe for world food trade and for developing countries

31. The transition to a market economy has caused disruptions and changes in the agricultural sectors of Eastern European countries. Agriculture has played a relatively large role in the economy in Eastern Europe compared to Western Europe. In the late 1980s, the agricultural sector contributed more than 20 per cent of GDP in the former USSR and between 6 and 35 per cent in the other Eastern European countries. This compares to an average of 3.4 per cent in Western Europe.

32. Most Eastern European countries, excluding the former USSR, have achieved high levels of self-sufficiency in cereals and other foods, and Hungary's net exports have made an important contribution to the country's balance-of-payment situation. This has been achieved despite great inefficiencies in the food system, notably in the livestock and food processing sectors, which have placed heavy demands on crop production. The former USSR, however, has not been able to offset these inefficiencies through increased domestic production. Once a net exporter, it has become one of the world's largest cereal importers. Owing mainly to the drastic cutbacks in sectoral investments, inputs and subsidies, and the uncertainties resulting from the political situation, the region's agricultural production has been contracting.

33. Whether those countries will become net exporters or importers of agricultural products, once the structural adjustment is absorbed, will have a tremendous impact on world agricultural markets. The outlook for the future net food trade position of the region is determined by short- and longer-term changes in the demand patterns. In the current situation, a significant short-term improvement in production is unlikely. However, even without a recovery of agricultural production, a number of countries in the region could follow the early reforming countries and significantly reduce food imports or increase exports, principally at the expense of domestic consumption.

34. As far as developing countries are concerned, for those countries that, until recently, traded with Eastern Europe under special arrangements, the abrupt reduction of food imports has meant heavy export losses at present. For other exporting developing countries, the decline in commercial demand from Eastern Europe not only reduces their export opportunities to those markets but also, because of the effect of falling world market prices for products for which Eastern Europe has been a substantial net importer (e.g., wheat and coarse grains, meat, sugar, dairy products and the protein field), would indirectly contribute to a decline of their export earnings. In addition, for developing countries, in the short run the granting of most-favoured-nation and generalized system of preferences treatment, and the association agreements between EEC and Czechoslovakia, Hungary and Poland, have increased competition with Eastern European countries on OECD markets, particularly Western Europe, without any offsetting gains from trade creation with Eastern Europe.

35. Developing countries have also expressed concern that Western support for the transition process in Eastern Europe could result in a diversion of financial and aid flows from them. As noted above, it is evident with regard to food aid that some diversion of aid has occurred in recent years. A number of developing countries have also been affected by the drastic decline of development assistance from Eastern Europe. For them and other countries, an early resumption and expansion of Eastern European aid will be important. Changing patterns of financial flows at commercial terms, with substantial amounts going to Eastern Europe, may have negative effects, especially in Africa and Latin America and the Caribbean. In general, however, a successful transformation of the economies in Eastern Europe is likely to contribute to a stronger global economy from which developing countries would also benefit.

III. DEVELOPMENTS IN THE LIBERALIZATION OF INTERNATIONAL TRADE IN AGRICULTURAL AND TROPICAL PRODUCTS

A. Continuing high levels of protection of national markets

36. Little progress was made in 1991 towards reducing trade-distorting measures in the agricultural sector. Protection of national markets for agricultural commodities, especially in the more processed products, remains high in many developed countries. It is now six years since the launching of multilateral negotiations to reform agriculture in the Uruguay Round of GATT. Although there is now a better awareness and recognition of the problems of the agricultural sector, little has been done so far in concrete terms to achieve the objectives of agricultural policy reform. Measures taken by national Governments to support and protect the agricultural sector remain largely intact. Those measures include internal support policies (subsidies in various forms to domestic producers), the effect of which is to raise domestic production higher than it would otherwise be, thereby reducing domestic demand for imports or increasing export availability, border protection (tariffs, tariff escalation and non-tariff measures) to limit import access, and export subsidies (which distort competition among exporting countries).

37. Whereas national support policies for agriculture, including subsidy programmes, were originally motivated by a desire to retain a minimum domestic agricultural capacity for national food security reasons and to provide assistance to rural areas in fulfilment of social policy objectives, policies of support and protection for the agricultural sector pursued in many developed countries have led to structural overcapacity in those sectors. Furthermore, in order to bolster domestic support policies, Governments have instituted a variety of trade measures - ranging from conventional tariffs to a complex array of non-tariff measures, including variable levies, minimum prices, global and bilateral quotas, "voluntary" export restraints, import prohibitions, sanitary and phytosanitary regulations - to restrict imports of agricultural products. In addition, countries that are exporters of agricultural products have used export measures in support of domestic policy objectives, resorting in particular to export subsidies to reduce stocks of surplus products.

38. As a result of governmental policies in the agricultural sector, some developed countries that were previously major importers have become increasingly self-sufficient in agriculture or have gone beyond the stage of self-sufficiency to become large-scale exporters of a wide range of agricultural products. An important result has been not only to reduce, or shut off, the traditional markets for developing countries but also to displace developing countries on world markets, often through subsidized exports. Subsidized exports from developed countries have affected developing country exports of cereals, meat, dairy products, oilseeds and vegetable oils and sugar, especially to third countries.

39. A major feature of the structure of tariffs and non-tariff measures affecting agricultural exports of developing countries, in particular tropical products, is the tendency for tariffs to escalate with the stage of processing and for non-tariff measures to weigh more heavily on commodities in their processed forms. Many products of export interest to developing countries are particularly hard hit by this escalation of trade barriers, which has had a negative impact on the efforts of developing countries to increase their participation in world agricultural trade in processed products.

40. In 1991 the overall cost of the agricultural policies pursued by OECD countries, as measured by the sum of transfers from taxpayers (net of budget receipts from tariffs) and from consumers (through higher prices), rose to an estimated $321 billion, an increase of almost 5 per cent over the 1990 figure. The increase in 1991 was due to a 10 per cent ($13.5 billion) rise in transfers from taxpayers combined with a 3 per cent ($5 billion) increase in transfers paid by consumers. Budget revenues from import tariffs also increased by $4.5 billion.

41. For individual countries, total transfers in United States dollars in 1991 fell by more than 1 per cent only in Canada ($0.3 billion), Finland ($0.1 billion) and New Zealand ($0.02 billion), while the largest increases were estimated for Japan ($2.8 billion), the United States ($7.8 billion) and the European Economic Community ($3.5 billion).

42. Estimates of overall production support in OECD countries for specific commodities are given in table 6, expressed as a proportion of the sales receipts for each commodity. As will be noticed, in a number of OECD countries support is quite high (in excess of 50 per cent of sales receipts) for products such as cereals, oilseeds, sugar, dairy products and beef.

43. It is noteworthy that, in contrast to the high degree of support provided to the agricultural sector in industrialized countries, the general policy stance towards the agricultural sector in developing countries has resulted in substantial discrimination against agriculture. In many cases, domestic pricing and taxation policies have kept producer prices well below border prices. Current policy reforms being implemented by many developing countries include changes in the structure of incentives (price and non-price) and trade liberalization designed to bring domestic prices in line with border prices (see also sect. IV.B below).

Table 6. Net producer subsidy equivalents a/ for selected commodities and countries, 1979-1991

Commodity	1979-1986	1987	1989	1990	1991	1979-1986	1987	1989	1990	1991	1979-1986	1987	1989	1990	1991
	Australia					Austria					Canada				
Wheat	10	15	11	15	19	32	75	39	66	75	26	54	24	56	42
Coarse grains	7	10	8	10	9	26	62	37	39	35	32	47	25	30	39
Rice	25	24	21	23	23	..	..	..	..	..	..	..	..	..	..
Oilseeds	8	12	14	10	11	..	..	..	..	..	22	30	24	27	28
Sugar	9	20	16	16	15	58	75	67	71	77	25	18	16	19	22
Milk	31	31	32	35	36	47	59	51	67	66	66	79	71	82	83
Beef	11	12	11	11	11	44	89	52	53	55	32	48	34	35	41
Pork	5	5	4	5	5	9	33	15	28	33	12	13	23	13	16
Poultry	5	6	5	5	5	15	3	54	51	47	27	46	36	40	45
	EEC b/					Finland					Japan				
Wheat	32	61	27	43	61	62	82	78	67	84	96	103	95	98	103
Coarse grains	34	68	34	52	55	58	90	81	86	84	97	102	94	95	98
Rice	43	77	63	64	68	..	..	..	..	..	79	94	86	86	87
Oilseeds	49	75	61	72	67	60	77	81	88	98	82	79	62	54	62
Sugar	54	77	47	51	67	70	86	62	75	73	68	75	63	70	76
Milk	54	61	56	72	69	66	76	73	77	76	83	91	82	87	88
Beef	48	46	55	56	54	58	62	63	61	60	62	61	59	33	40
Pork	6	6	7	9	8	36	48	53	55	53	42	46	51	38	42
Poultry	20	22	26	29	18	46	56	52	56	58	17	13	12	12	12

Table 6 (continued)

Commodity	1979-1986	1987	1989	1990	1991	1979-1986	1987	1989	1990	1991	1979-1986	1987	1989	1990	1991
	New Zealand					Norway					Sweden				
Wheat	9	24	14	10	7	63	78	73	81	84	35	65	42	71	50
Coarse grains	10	5	5	3	..	77	83	83	90	86	29	48	53	73	57
Rice	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Oilseeds	..	..	..	..	..	..	..	..	..	..	36	42	61	68	63
Sugar	..	..	..	..	..	..	..	..	..	..	54	63	36	58	55
Milk	23	14	3	2	2	77	79	76	81	83	65	73	64	71	74
Beef	14	12	4	3	3	69	66	71	69	71	45	45	49	45	51
Pork	16	4	1	1	1	46	56	48	44	51	22	41	28	25	36
Poultry	32	46	29	35	26	25	42	55	46	50	26	36	39	28	35
	Switzerland					United States of America									
Wheat	72	85	78	81	84	29	64	26	43	50					
Coarse grains	74	91	83	83	83	21	46	28	21	26					
Rice	..	..	..	..		28	50	37	42	37					
Oilseeds	85	99	93	100	98	8	10	9	7	7					
Sugar	75	86	81	76	83	46	70	45	44	56					
Milk	73	84	75	86	85	63	67	53	64	58					
Beef	76	78	83	83	83	34	36	31	29	34					
Pork	45	62	42	62	62	7	7	7	6	6					
Poultry	79	83	83	87	85	8	34	10	10	10					

Source: OECD, Agricultural Policies, Markets and Trade: Monitoring and Outlook 1992 (Paris, 1992). Figures for 1990 are estimates; those for 1991 are provisional.

a/ Total assistance for a given commodity as a percentage of the total value of receipts from sales of commodity. Producer subsidy equivalent thus measures the value of transfers to farmers generated by agricultural policy.

b/ Excluding Portugal and Spain in 1979-1985.

44. In the area of external trade measures, progress in the developed countries in 1991 was limited to a few cases. In Sweden, the policy reforms begun in 1991 included the reduction of border protection through decreases in variable import levies, the complete abolition of export subsidies for some commodities and the phased abolition of other export subsidies over a three-year period. In the European Economic Community, no change was made in the system of variable import levies and export restitutions whereby the Community regulates its trade in agricultural products and insulates its farmers from external market forces. Unit export restitutions for the major exported products increased again in 1991 owing to a widening of the price gap because of lower world prices. Norway changed trade measures relating to apples and pears in 1990, following a GATT ruling, but otherwise made no significant changes in its trade measures. In Switzerland, the import tax on refined sugar was sharply increased; there was otherwise no change in the system of import restrictions and export subsidies which shelters Swiss producers from world market developments. For Austria, no changes in border measures in 1991 were reported. It is to be noted, however, that reductions in import restrictions for a few categories of agricultural products were agreed in several countries of the European Free Trade Association (EFTA) under the European Economic Area agreement.

45. In Canada, there were no improvements in 1991 in market access for supply-managed products. In addition, a rebate was introduced for manufacturers using dairy products that is intended to lessen the potential impact of the Canada-United States Free Trade Agreement on trade in dairy products. The United States continued to regulate its trade in a wide range of agricultural products by the use of voluntary restraint agreements, tariffs, import quotas or discretionary export subsidies. The sugar import quota was reduced by one third for 1991/92. During 1991, voluntary restraint agreements were concluded with Australia and New Zealand with respect to beef imports. Japan continued to move in the direction of replacing volume-based import measures, such as quotas, with price-based measure (tariffs), with the abolition of import quotas for beef and oranges. However, except in the case of beef, there has been no significant decrease in the gap between external and domestic prices. Australia and New Zealand continued their programmes of general tariff reductions, which will affect some imported agricultural inputs and, in the case of Australia, sugar and some horticultural products. In sum, in 1991, only Australia, Japan, New Zealand and Sweden had undertaken any significant reductions in border protection, and even among those countries the extent and scope of the improvements varied widely.

B. Recent developments in the Uruguay Round of multilateral trade negotiations

46. The Uruguay Round of multilateral trade negotiations has provided the framework since 1986 in which multilateral efforts are made to achieve agricultural policy reform under the General Agreement on Tariffs and Trade. The Round has now passed several deadlines which were set with a view to bringing the negotiations to a conclusion. It was initially scheduled to

conclude at the end of 1990. However, agreement could not be reached by then, particularly for agriculture, and the negotiations were extended. By late 1991, no agreement had been reached and on 20 December 1991 the Director-General of GATT advanced a package of reform proposals that might be used as a basis for concluding the negotiations. In January 1992, participating countries agreed that the draft Final Act submitted by the Director-General provided a basis for completing the negotiations, the objective then being to conclude an agreement by mid-April 1992. To date, agreement has not been reached but the proposals of the Director-General appear to provide the best available indication of the broad nature of possible final agreements.

47. Throughout the Round, the agricultural policies of the major trading countries, including EEC, have been a major factor in the negotiations. In late May 1992, EEC announced major changes to its Common Agricultural Policy (CAP) which could have a significant impact on the course of the Round. This section therefore focuses on the salient features of the draft final act for agriculture and the EEC reform of CAP.

1. The draft final act for agriculture

48. The draft final act for agriculture comprises four parts, namely, an agreement and a package of three related elements. Part A, entitled "Uruguay Round Agreement on Agriculture", describes the general framework of the reform process, including special safeguard measures, and provides for the establishment of a committee on agriculture. Part B is entitled "Agreement on Modalities for the Establishment of Specific Binding Commitments under the Reform Programme".

49. The main elements of the specific binding commitments in the areas of market access, domestic support and export competition are as follows:

(a) Market access:

(i) The conversion of non-tariff border measures into tariff equivalents (tariffication); the base period shall be the years 1986-1988;

(ii) All customs duties, including those resulting from tariffication, shall be bound;

(iii) Reduction by 36 per cent on a simple average basis of customs duties in equal instalments between 1993 and 1999, with a minimum rate of reduction of 15 per cent for each tariff line;

(iv) Maintaining current access opportunities and establishing minimum access opportunities of 3 per cent of domestic consumption for imported goods, rising to 5 per cent by the end of the implementation period;

(v) Safeguard provisions would apply to products subject to tariffication to allow temporary increases in import tariffs at times when there were large surges in import volumes or sharp falls in import prices;

(b) Domestic support:

(i) Reduction by 20 per cent of all domestic support measures in favour of agricultural producers with the exception of measures which have no, or at most minimal, trade distortion effects or effects on production (the so-called green box), in equal instalments from 1993 to 1999; the base period shall be the years 1986 to 1988;

(ii) Credit shall be allowed for reduction actions undertaken since the year 1986;

(iii) Reduction commitments shall be expressed in terms of aggregate measurements of support or of equivalent commitments;

(iv) The price support element would be measured as the difference between the internal administered price and a fixed 1986-1988 average external reference price that is indicative of world price, generally export parity for exporting countries and import parity for importing countries;

(c) Export competition: export subsidies shall be subject to budgetary and quantity reduction commitments, of 36 per cent and 24 per cent respectively, from 1993 to 1999; the base period shall be the years 1986 to 1990. There shall be an undertaking by each participant not to provide export subsidies otherwise than in conformity with the Agreement and with its commitments as specified in its schedule of export competition commitments.

50. Special and differential treatment would be accorded to developing and least developed countries under the three elements set out above, as follows:

(a) The least developed countries shall be exempt from the reduction commitments;

(b) The developing countries shall have the flexibility to apply lower rates of reduction commitments, although such commitments shall not be less than two thirds of the commitments above, and to implement the reductions over a period of up to 10 years;

(c) Some domestic support and export competition measures shall also be exempt from reduction commitments.

51. Part C, entitled "Decision by Contracting Parties on the Application of Sanitary and Phytosanitary Measures", establishes a multilateral framework of rules and disciplines to guide the adoption, development and enforcement of sanitary and phytosanitary measures so as to minimize their negative effects

on trade. A committee on sanitary and phytosanitary measures will be established to carry out the functions necessary to implement the provisions of this decision and to provide a regular forum for consultations.

52. Part D, entitled "Declaration on Measures Concerning the Possible Negative Effects of the Reform Programme on Net Food Importing Developing Countries", covers issues of food aid, the technical and financial needs of these countries to improve their agricultural productivity and infrastructure, agricultural export credit and arrangements to address short-term difficulties in financing normal levels of food imports.

53. The proposed cuts in tariff equivalents, internal support and export subsidies, if adopted rigorously, would result in a substantial liberalization of agricultural policies globally. However, the package has not yet been agreed to. Further, even if it is wholly or largely adopted, the package leaves some room for flexibility in implementation. From the perspective of countries that would need assurance of a safety net in the transition period, it is noteworthy that part D is framed in a manner that suggests a somewhat different binding character from the other parts, so that it could in reality be only a declaration of best intentions.

2. Reforms to the Common Agricultural Policy of the European Economic Community

54. As mentioned earlier, throughout the Uruguay Round negotiations, reform of the agricultural policies of major trading countries has been the major focus of attention and resistance in this regard has posed the most difficult problems in reaching agreement. The reforms to the Common Agricultural Policy agreed to by EEC in May 1992 are therefore noteworthy as they could help to facilitate agreement on agriculture in the Round. The key elements of the reforms are broadly the following:

(a) A reduction in internal support prices for cereals from the reference average buying-in price of ECU 155 per ton for 1991 to a target price of ECU 110 per ton and an intervention price of ECU 100 per ton, to be phased in over the three years 1993/94 to 1995/96;

(b) Full compensation to producers for the reduction in support prices, such compensation being through direct payments which by 1995/96 will total ECU 45 per ton;

(c) Area reduction programmes of 15 per cent for cereals for the 1993 crop year and adoption of annually determined acreage reduction programmes, such programmes excluding producers with less than 20 ha of cereals;

(d) Community preference for cereals of ECU 45 per ton - this amount represents the difference between duty paid import prices and internal support prices;

(e) A reduction of 1 per cent in milk production quotas in each of the two years 1993/94 and 1994/95, if subsequently agreed to by the Council of Agriculture Ministers, along with a 2.5 per cent cut in butter support prices in each of those same years but no cut in skim milk powder prices;

(f) A reduction of 15 per cent in beef intervention prices;

(g) Markedly increased headage payments for cattle, with limits on such payments for male cattle to the first 90 animals in herds;

(h) Additional slaughter premiums to young bovine animals to reduce seasonality of production.

55. These measures could enable EEC to meet some of the requirements of the draft Final Act proposed by the Director-General of GATT. However, there are a number of matters which remain unclear. These include domestic support, which will depend on the status of compensation payments that can be agreed in the context of the Round, and export subsidies, which have not been addressed specifically in the reforms.

56. While these changes could assist progress within the Round, it is not possible at this time to draw definitive or substantive conclusions concerning the implications of the reformed Common Agricultural Policy, both because the full details are not yet available and because the outcome is subject to a range of factors, such as the output response to input use and the type of land taken out of production, which are difficult to predict, even in the short run. Nevertheless, it is likely that the reforms will have a negative impact on EEC production and a positive effect on consumption.

IV. FOLLOW-UP TO THE SECTION ON AGRICULTURE OF THE INTERNATIONAL DEVELOPMENT STRATEGY FOR THE FOURTH UNITED NATIONS DEVELOPMENT DECADE

57. It is nearly two years since the adoption of General Assembly resolution 45/199 on the International Development Strategy for the Fourth United Nations Development Decade. As sufficient information is not currently available to provide a detailed assessment of progress in implementing the Strategy in regard to agriculture, some of the latest available information on developments and trends which would be relevant to such an assessment is reviewed briefly in this section.

A. Towards meeting the target: recent growth performance

58. The section on agriculture of the Strategy (General Assembly resolution 45/199, annex, paras. 70-77) emphasizes the importance of raising agricultural output in developing countries, both as a means to revitalize their economic growth in the 1990s and to strengthen their food security and self-reliance in food. While not formally setting any target rate of growth for agricultural

or food production in developing countries, the Strategy maintains however that an annual rate of growth of the order of 4 per cent on average in food production would make a major contribution to food security and support agro-industrial development. Recent trends in food and agricultural production, reported in section II above (see table 2), indicate that annual growth rates over the past three years (1989-1991) for developing countries as a whole fell far short of the 4 per cent indicative rate. The Far East region, with growth rates of 3.6 per cent in agricultural production and 3.5 per cent in food production, was the only developing region that came close to the target rate on a sustained basis.

59. Annual changes in the agricultural production of developing countries, by country and region, are indicated in table 7, for the period 1988-1991. Out of a total of 86 developing countries for which information was available, only 21 countries (24 per cent) had annual growth rates of agricultural production of 4 per cent or more for the period 1988-1991. On a regional basis, the number of countries was five in Africa, eight in Latin America and the Caribbean, two in the Near East, and six in the Far East. Information on per capita food production for the most recent period (1990-1991) is shown in table 8. Food production lagged behind population growth in 67 out of 108 developing countries (62 per cent) in 1990/91. In sum, if developing countries were to achieve an annual average rate of growth of 4 per cent in food production during the 1990s, then, according to projections of annual average population growth by country for the 1990s, all but a few developing countries would register positive per capita growth in food production in the 1990s.

Table 7. Percentage change in agricultural production, 1988-1991

Country	1988/89	1989/90	1990/91	1988-1991
		Africa		
Tunisia	14.15	17.36	4.23	11.91
Nigeria	4.23	11.49	6.67	7.46
Uganda	7.09	5.15	2.80	5.01
Algeria	-4.51	-0.79	17.46	4.06
Morocco	1.19	-5.29	16.15	4.02
Rwanda	5.31	3.36	2.44	3.70
Benin	4.49	1.23	4.85	3.52
Gabon	2.68	6.09	1.64	3.47
Togo	8.80	0.74	0.73	3.42
Burkina Faso	-1.33	-6.76	17.39	3.10
Mali	1.57	-0.78	7.81	2.87
Malawi	-1.77	-0.90	10.91	2.75
Comoros	2.48	2.42	2.36	2.42
Central African Republic	0.85	4.20	1.61	2.22
Niger	-10.28	-5.21	21.98	2.16
Zaire	2.40	0.78	2.33	1.84
Congo	-3.28	6.78	1.59	1.70
Ethiopia	2.86	3.70	-1.79	1.59
Chad	-3.79	-1.57	8.80	1.15
Reunion	-13.98	1.25	16.05	1.11
Kenya	2.05	3.36	-2.60	0.94
Madagascar	2.56	1.67	-1.64	0.86
Angola	-1.00	1.01	2.00	0.67
United Republic of Tanzania	8.70	-3.20	-4.13	0.45
Swaziland	-4.00	0.00	1.67	-0.78
Mauritania	3.64	-5.26	-0.93	-0.85
Mozambique	0.95	2.83	-7.34	-1.19
Cameroon	-6.09	2.78	-4.50	-2.60
Somalia	2.42	-2.36	-8.87	-2.94
Botswana	4.42	-7.63	-6.42	-3.21
Zimbabwe	-5.76	-1.53	-3.10	-3.46
Sao Tome and Principe	-7.37	-7.95	2.47	-4.28
Lesotho	-14.66	4.04	-5.83	-5.48
Liberia	-3.31	-31.62	-10.00	-14.98

Table 7 (continued)

Country	1988/89	1989/90	1990/91	1988-1991
Latin America and the Caribbean				
Netherlands Antilles	17.65	5.00	47.62	23.42
Bolivia	1.55	8.40	16.20	8.71
Honduras	4.17	6.40	4.51	5.03
Trinidad and Tobago	-3.41	15.29	3.06	4.98
Ecuador	3.79	7.30	3.40	4.83
Colombia	5.93	6.40	1.50	4.61
Chile	6.50	3.82	2.94	4.42
El Salvador	-1.22	14.81	-1.08	4.17
Venezuela	6.61	3.88	0.75	3.74
Costa Rica	7.69	4.76	-2.27	3.39
Belize	2.78	7.21	0.00	3.33
Paraguay	5.70	2.40	1.75	3.28
Martinique	1.65	7.32	0.76	3.24
Jamaica	0.96	9.52	-1.74	2.92
Barbados	3.90	-1.25	5.06	2.57
Uruguay	11.21	-0.78	-6.25	1.39
Mexico	-0.85	6.03	-1.63	1.18
Nicaragua	1.37	1.35	-5.33	-0.87
Suriname	4.04	-11.65	2.20	-1.80
Guyana	-9.59	-6.06	9.68	-1.99
Saint Vincent and the Grenadines	-11.76	5.33	0.00	-2.14
Haiti	1.80	-5.31	-3.74	-2.42
Peru	-1.61	-9.84	3.64	-2.60
Dominica	-14.29	4.00	0.64	-3.21
Antigua and Barbuda	-26.40	8.70	7.00	-3.57
Guadeloupe	-10.85	-20.00	13.04	-5.94
Far East and Pacific				
Lao People's Democratic Republic	17.65	5.71	-0.68	7.56
Pakistan	6.38	3.33	7.74	5.82
China	2.10	8.90	3.14	4.72
Viet Nam	5.67	4.70	3.21	4.53
Singapore	24.47	1.71	-12.61	4.52
Indonesia	3.42	5.30	3.77	4.17
Hong Kong	1.80	6.19	3.33	3.78
Nepal	2.03	1.99	6.49	3.50
Bhutan	2.06	6.06	1.90	3.34
Taiwan, Province of China	7.07	-8.49	11.34	3.31
India	6.57	0.68	1.36	2.87
Thailand	3.20	-4.65	8.13	2.23

Table 7 (continued)

Country	1988/89	1989/90	1990/91	1988-1991
Cambodia	3.85	2.65	-1.55	1.65
Maldives	1.63	2.40	0.78	1.60
Sri Lanka	-3.00	9.28	-1.89	1.46
Myanmar	-10.00	1.71	4.20	-1.36
	Near East			
Saudi Arabia	10.64	8.33	4.93	7.97
Iran (Islamic Republic of)	1.41	10.42	3.77	5.20
Libyan Arab Jamahiriya	7.02	-4.10	5.98	2.97
Lebanon	9.38	-5.71	3.03	2.23
Cyprus	0.00	-6.42	10.78	1.45
Turkey	-5.69	6.90	1.61	0.94
Syrian Arab Republic	-31.39	24.47	0.85	-2.02
Yemen	-0.89	-3.60	-6.54	-3.68
Iraq	7.38	10.69	-31.72	-4.55
Jordan	-25.90	24.39	-12.42	-4.64

Table 8. Rate of change in per capita food production, by country, 1990-1991

Percentage	Developing countries				Developed countries
	Africa	Asia and the Pacific	Latin America and the Caribbean	Near East	
More than 5	Algeria, Burkina Faso, Chad, Gambia, Ghana, Malawi, Morocco, Namibia, Niger, Reunion, Zambia	Samoa, Thailand	Bolivia, Guadeloupe, Guyana	Cyprus, Sudan	Greece, Hungary, Italy, New Zealand
3.01 to 5	Mali, Nigeria	Nepal	Barbados, Puerto Rico		Belgium, Luxembourg
0.1 to 3	Benin, Burundi, Guinea, Tunisia	Bangladesh, Bhutan, Indonesia, Pakistan, Tonga, Viet Nam	Brazil, Chile, Ecuador, El Salvador, Honduras, Martinique, Nicaragua, Peru, Suriname, Trinidad and Tobago	Iran, Libyan Arab Jamahiriya, Saudi Arabia	France, Germany, a/ Ireland, Switzerland, United Kingdom of Great Britain and Northern Ireland
0 to -3	Angola, Central African Republic, Comoros, Congo, Ethiopia, Gabon, Guinea-Bissau, Rwanda, Sao Tome and Principe, Swaziland, Uganda, Zaire	Brunei Darussalam, China, Democratic People's Republic of Korea, India, Malaysia, Maldives, Mauritius, Myanmar, Papua New Guinea, Philippines, Republic of Korea, Solomon Islands	Argentina, Belize, Colombia, Mexico, Panama, Venezuela		Austria, Canada, Czechoslovakia, Denmark, Iceland, Malta, Netherlands, Norway, South Africa, Yugoslavia
-3.01 to -5	Cameroon, Côte d'Ivoire, Liberia, Mauritania, Senegal, Togo	Cambodia, Lao People's Democratic Republic, Macau, Sri Lanka	Cuba, Dominican Republic, Guatemala, Jamaica, Paraguay	Turkey	Japan, Portugal, Spain, United States of America
-5.01 to -10	Botswana, Cape Verde, Kenya, Lesotho, Madagascar, Mozambique, United Republic of Tanzania	Fiji	Costa Rica, Haiti, Uruguay	Egypt, Syrian Arab Republic	Australia, Bulgaria, Poland, Romania, Sweden
Below -10	Sierra Leone, Somalia, Zimbabwe	Mongolia, Singapore, Vanuatu		Iraq, Jordan, Yemen	Albania, Finland, Germany, b/ Israel, former USSR

a/ Former Federal Republic of Germany.

b/ Former German Democratic Republic.

B. National action to raise agricultural production and productivity in developing countries

60. While recognizing that the great diversity of country situations means that there is no single set of policies of general applicability for raising agricultural production and productivity in developing countries, the Strategy notes that policies and measures based on certain considerations will be of broad applicability. Chief among them is the consideration that success in reaching the potential for raising agricultural productivity requires a farming population possessed of the knowledge, the incentives and the means required for this purpose. As mentioned above, there is not sufficient information available to permit a detailed assessment of how countries are implementing the Strategy. Accordingly, only a broad overview of recent developments in policies and measures taken by developing countries which have a bearing on raising agricultural production and productivity is given here.

61. In recent years, many developing countries have embarked upon some form of stabilization and structural adjustment programme, with the general objectives of reducing current account and fiscal deficits, and reducing governmental intervention in market mechanisms. Policies specific to the agriculture sector have included changes in the structure of incentives (price and non-price), trade liberalization designed to bring domestic prices in line with border prices, deregulation and privatization of trade and market channels.

62. Over the past year, agricultural policy initiatives introduced in developing countries have in general followed the trend of recent years towards reducing administrative controls, introducing institutional reforms and improving incentives to producers with the aim of raising agricultural production and productivity on a viable basis. Improvements in producer incentives have involved, in a number of cases, improved price incentives and, in other cases, the introduction or reinforcement of non-price measures with an impact on producer incomes. In 1991, cereal support prices were increased in a wide range of developing countries (e.g., Algeria, China, Democratic People's Republic of Korea, India, Iran (Islamic Republic of), Kenya, Morocco, Syrian Arab Republic, Tunisia, Zambia and Zimbabwe) in order to bolster domestic production in a context of rapidly rising input costs, occurring as a consequence of macroeconomic policy changes. In other developing countries (e.g., Brazil, Colombia, Costa Rica, Egypt, Guatemala, Honduras, Mexico and Rwanda) there were significant moves towards the deregulation of producer prices coupled, in some cases, with land reform, in an attempt to enhance agricultural incentives. Non-price measures affecting the availability and cost of credit and farm inputs were introduced or reinforced in several countries over the past year (e.g., Brazil, Egypt, Pakistan, Philippines and Sri Lanka).

63. With regard to the liberalization of domestic and foreign trade, most recent policy initiatives have involved the continuation of past trends towards privatization and reduced government participation in the domestic marketing of agricultural products. The partial or total privatization of

parastatal marketing agencies and the reduction of government intervention in input and output marketing have been pursued in a number of countries (e.g., Argentina, El Salvador, Ethiopia, Guyana, Kenya, Lesotho, Malawi, Mexico, Pakistan, Sri Lanka, Sudan, Uganda, United Republic of Tanzania, Viet Nam, Zambia and Zimbabwe). In addition, many countries have liberalized the regulations governing international trade, either through removing barriers or opening up to private sector traders (e.g., Algeria, Bangladesh, Cameroon, Dominican Republic, Egypt, Ghana, Honduras, Jamaica, Kenya, Morocco, Pakistan, Peru, Sri Lanka and Venezuela).

C. International action

64. It is noted in the Strategy that a number of steps are also needed at the international level to promote agricultural development during the Decade. In particular, it is stated that finance for investments in the agricultural sector and technical assistance should form part of programmes for development cooperation, both bilateral and multilateral. In line with earlier remarks concerning assessment of the implementation so far of the Strategy, the present section updates the information provided in the earlier report (E/1991/89, paras. 49-57) on recent trends in external assistance to agriculture in developing countries.

65. Total commitments of external assistance to agriculture fell further in 1990, which is the latest year for which complete coverage is available, to almost $14.5 billion after a 7 per cent decline in nominal terms in the previous year (see table 9). If total commitments are deflated by prices of manufactured goods, in real terms 1990 shows a decrease of 10 per cent in relation to 1989 and more than 16 per cent in relation to 1988. The share of grants in total commitments has risen, however, from 31 per cent in 1987 to 36 per cent in 1990.

66. Bilateral assistance fell to $6.55 billion in 1990, about 12 per cent less than the previous year, and about 24 per cent from the 1988 level. Nevertheless, the share of grants in bilateral assistance remains considerably higher than in multilateral assistance, and rose from 57 per cent in 1987 to 71 per cent in 1990.

67. For multilateral lending, estimates are available up to 1991. With an estimate of $8.2 billion in 1991, multilateral commitments have recovered in nominal terms from the downward trend of 1987 to 1989. However, in real terms, multilateral commitments in 1991 are still 10 per cent below their 1987 level. The share of grants in multilateral commitments rose from 7 per cent in 1987 to about 9 per cent in 1991. In 1991 World Bank lending increased by 17 per cent to almost $5.2 billion while that of regional development banks dropped by nearly 25 per cent.

Table 9. Commitments and disbursements of external assistance to agriculture (broad definition), 1987-1991)

(Millions of United States dollars)

Donors	Total commitments					Total disbursements				
	1987	1988	1989	1990	1991 a/	1987	1988	1989	1990	1991 a/
					At current prices					
Total commitments/ disbursements of	14 491	15 999	14 715	14 621	...	12 196	14 334	12 542	...	...
which grants	4 450	5 222	4 550	5 344	...	4 980	5 675	4 989	...	...
Bilateral	6 757	8 592	7 468	6 550	...	5 790	6 690	6 225	...	...
of which grants	3 888	4 582	3 876	4 627	...	4 430	5 070	4 360	...	...
Multilateral	7 734	7 406	7 247	8 071	8 164	6 406	7 644	6 317	7 010	7 347
of which grants	562	640	674	717	(731)	550	605	641	680	690
World Bank	4 045	3 951	4 047	4 443	5 182	3 868	4 895	3 371	3 690	4 112
IBRD	2 632	2 189	2 596	2 426	3 407	2 518	3 089	2 213	2 304	2 439
IDA	1 413	1 762	1 451	2 017	1 775	1 350	1 806	1 159	1 387	1 673
IFAD	216	176	240	348	280	234	203	194	200	183
Regional development banks	2 663	2 484	2 078	2 444	1 833	1 624	1 788	1 969	2 286	2 224
OPEC multilateral	272	217	280	182	(221)	(150)	(180)	(180)	(180)	(180)
UNDP/FAO/CGIAR	530	578	603	654	(648)	530	578	603	654	648
					At constant 1985 prices b/					
Total commitments/ disbursements of	10 734	11 110	10 290	9 254	...	9 034	9 954	8 771	...	...
which grants	3 296	3 626	3 182	3 382	...	3 689	3 941	3 489	...	...
Bilateral	5 005	5 967	5 222	4 146	...	4 289	4 646	4 353	...	...
of which grants	2 880	3 182	2 710	2 928	...	3 281	3 521	3 049	...	...
Multilateral	5 729	5 143	5 069	5 108	5 167	4 745	5 308	4 417	4 437	4 650
of which grants	416	444	471	454	463	407	420	448	430	437

Source: Statistics Division of FAO and OECD.

Note: ... Data not available.

() Estimates.

a/ Preliminary data.

b/ Deflated by the United Nations index of unit value of exports of manufactured goods; 1985=100.

68. Complete data on total disbursements of external assistance to agriculture are not yet available for 1991 or 1990, for lack of sufficient information on bilateral disbursements. With regard to multilateral assistance, preliminary data for 1991 indicate that disbursements, at $7.3 billion, rose by about 5 per cent from the previous year's level. Disbursements by the World Bank group rose 11 per cent, to $4.1 billion, while those of regional development banks fell by about 3 per cent.